



A-76 Contracting - Present and Future

**Deborah Raita
DLA A-76 Contracting Support
Office**



Agenda

- **Who/what is the DLA A-76 Contracting Support Office**
- **What differentiates A-76 contracting from “normal” service contracting**
- **Navigating the process today and in the future**
(as based on the 11/14/02 draft)
 - **Request for Proposals**
 - **“Agency Tender”**
 - **Decision**
 - **Appeals**
 - **Protests**



“DLA A-76 Contracting Support

- **Created in 1998 to provide the acquisition support for DLA’s A-76 studies**
- **Located at DSCC**
- **Separate contracting office from activity under study**
- **Dedicated contracting, legal, and pricing support**
- **Ten studies completed to date; eight studies in process**
- **Acknowledged Center of Excellence**



Expectations





Expectations

Revised OMB Circular No. A-76

Contractors

- Performance
- Fairness
- Honesty
- Savings

Organizations

- Studied
- Fairness
- Honesty
- Savings

Taxpayers

- Efficiency

Congress

- Small Business

Business

- Fairness
- Honesty
- Savings

Way

- Performance
- Lower cost

DLA/OSD

- Performance
- Savings
- Fairness
- Honesty

Requiring Activities

- Performance
- Fairness
- Honesty
- Savings



What A-76 Is Designed to Accomplish

- **The A-76 process is designed to:**
 - **Allow the Government to determine if it's more cost-effective to have a service performed by the Government or a contractor**
 - **Level the playing field for public and private offerors**
 - **Encourage competition and choice in the management and performance of commercial activities**



What's Unique about an A-76 Acquisition

FAR 52.207-2, Notice of Cost Comparison (Negotiated) (FEB 1993)

- The decision to award or cancel the solicitation depends on the result of the cost comparison
- The in-house cost estimate (IHCE) [Agency Cost Estimate/Standard Competition Form] ***must be sealed and submitted to the KO before RFP closing***
- After selection of the best-value offeror (BVO), the KO ***opens the IHCE in the presence of the preparer***



What's Unique about an A-76 Acquisition

Per the [Current] Revised Supplemental Handbook:

In order to “ensure that the Government will not convert for marginal estimated savings”, a “Minimum Conversion Differential”, the lesser of \$10 million or 10% of the MEO personnel costs, is added to the cost of contract performance.

***No process change in November 14, 2002
Draft***



What's Unique about an A-76 Acquisition

Current

**FAR 52.207-3, Right of First Refusal of
Employment (NOV 1991)**

**Federal employees adversely affected by a
decision to convert to contract must be offered
jobs**

- for which they are qualified *and*
- that are created by the award of the
contract
- *The contractor decides who is qualified*

"ROFR"



What's Unique about an A-76 Acquisition

Proposed

**FAR 52.207-3, Right of First Refusal of
Employment (NOV 1991)**

**Federal employees adversely affected by a
decision to convert to contract must be offered
jobs**

- for which they are qualified *and*
 - that are created by the award of the contract
-
- *The HRA decides who is qualified*

"ROFR"



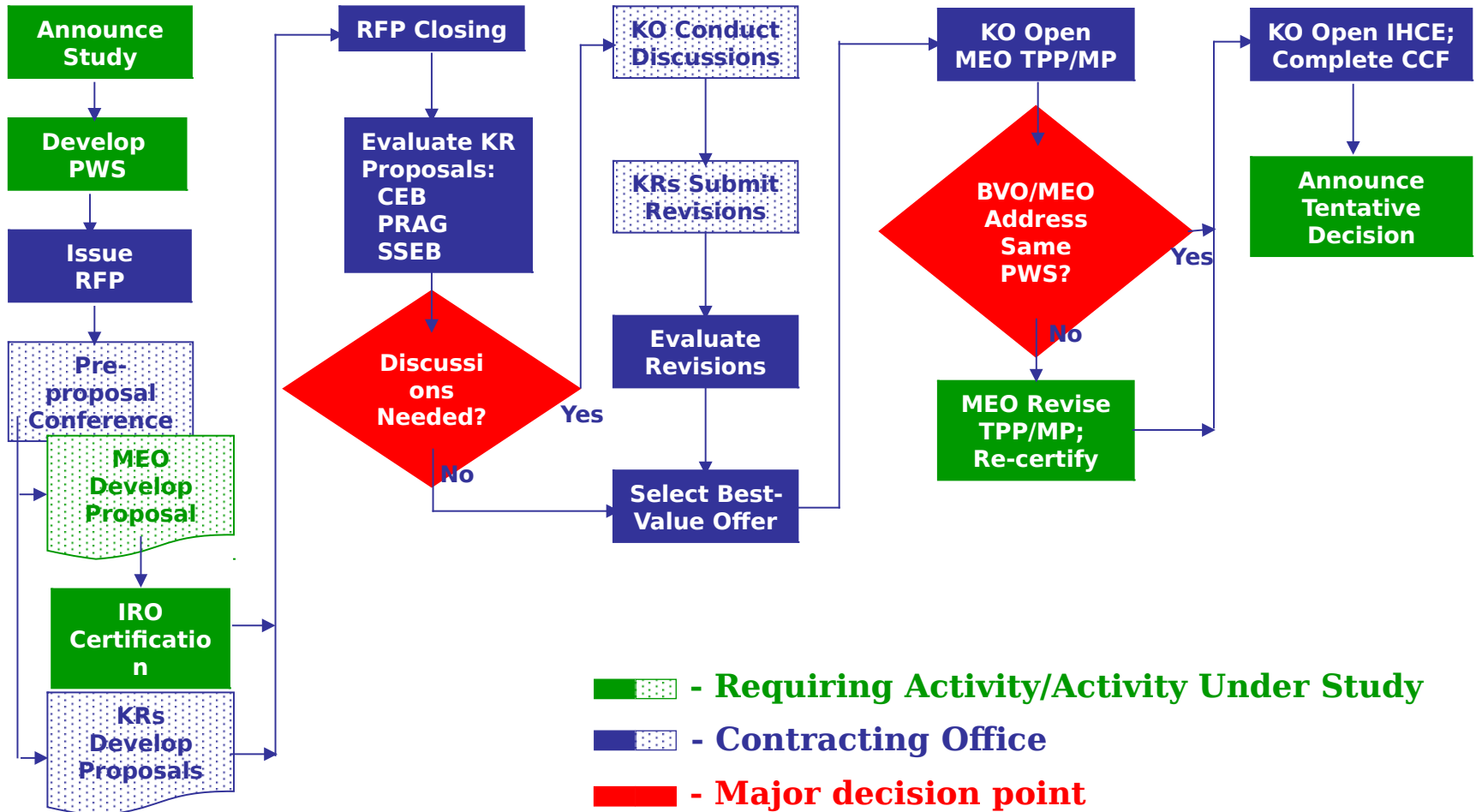
What's Unique about an A-76 Acquisition

Conflict of Interest:

- **Much information that would normally be subject to the Freedom of Information Act may be procurement-sensitive and not subject to disclosure**
- **Personnel involved in preparing the MEO [Agency Tender] are offerors under FAR Subpart 9.5, Conflicts of Interest; government employees (and consultants) must be assigned to PWS OR MEO**
- **Personnel personally and substantially involved are not afforded the Right-of-First-Refusal**
- **All personnel involved in A-76 studies or acquisitions are required to sign non-disclosure statements**

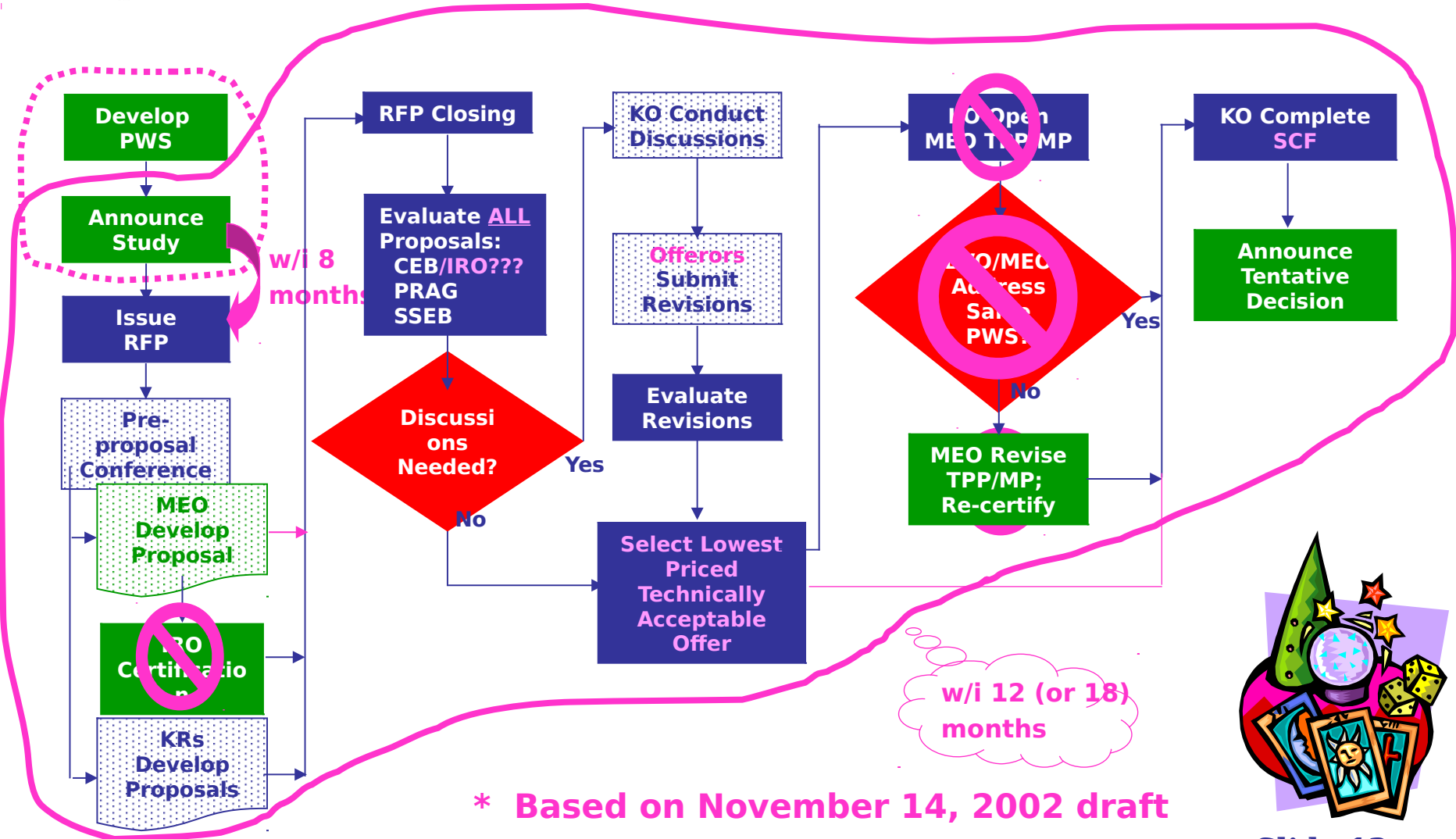


Current Process Flow





Future* Process Flow



* Based on November 14, 2002 draft





Request for Proposals - *Present**

- **Performance-based - outputs and outcomes**
- **Formal source selection**
- **Section L applies primarily to private sector/public reimbursable offerors; MEO proposal governed first by Revised Supplemental Handbook**
- **Contractor selection based on best value considering price, past performance (subjective assessment of risk), technical, socioeconomic, JWOD, and the DLA MBA program**

* How we do it today in DLA



Request for Proposals - *Future**

- **Performance-based - outputs and outcomes**
- **Formal source selection**
- **Section L will specify what proposal requirements apply to private sector, public reimbursable, and Agency offers**
- **Winner based on lowest priced (completed SCF) technically acceptable proposal**
- **Technical acceptability includes past performance (objective based on stated criteria), *socioeconomic, JWOD*, and the *DLA MBA program***

* As based on the 11/14/02 draft



Agency Tender - *Future*

- **Must adhere to Section L requirements**
- **Same evaluation process as private sector/public reimbursable offers/tenders**
 - **Address applicable proposal requirements**
 - **Oral presentation**
 - **Clear and understandable**
 - **Substance**
- **Clarifications**
- **Discussions (negotiations) and proposal revisions**



Service Contract

- **FAR 52.222-41, Service Contract Act of 1965, As Amended (MAY 1989)**
 - **Establishes minimum wage and fringe rates**
 - **Adjustments**
- **Collective bargaining agreements do not apply**
- **Wage determinations based on prevailing rates**
Applies to private sector offers



Service Contract

FAR 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989)

Identifies classes of service employees expected to be employed and states equivalent government wages and fringe benefits

- **WG: Step 2 for non-supervisory; Step 3 for supervisory**
- **GS: Divide Step 1 biweekly rate by 80**





Statement of Equivalent Rates

PP-SER-GR	POSITION TITLE	BASIC	FRINGE	TOTAL
GS-2001-09	GENERAL SUPPLY SPECIALIST	16.24	5.20	21.44
GS-2001-12	SUPERVISORY GENERAL SUPPLY SPECIALIST	23.54	7.53	31.07
GS-2003-11	SUPPLY SYSTEMS ANALYST	19.64	6.28	25.92
GS-2005-04	SUPPLY CLERK	9.58	3.07	12.65
GS-2005-05	SUPPLY TECHNICIAN (DATA TRANSCRIBING)	10.72	3.43	14.15
GS-2005-05	SUPPLY TECHNICIAN	10.72	3.43	14.15
GS-2005-07	SUPPLY TECHNICIAN	13.27	4.25	17.52
GS-2005-08	LEAD SUPPLY TECHNICIAN	14.70	4.70	19.40
GS-2032-09	PACKAGING SPECIALIST	16.24	5.20	21.44
WG-5703-06	MOTOR VEHICLE OPERATOR	13.25	4.24	17.49
WG-5703-07	MOTOR VEHICLE OPERATOR	14.13	4.52	18.65
WG-5703-08	MOTOR VEHICLE OPERATOR	14.90	4.77	19.67
WG-5704-05	FORK LIFT OPERATOR (MATERIALS HANDLER)	12.37	3.96	16.33
WG-5704-05	FORK LIFT OPERATOR (PACKER)	12.37	3.96	16.33
WG-5704-06	FORK LIFT OPERATOR	13.25	4.24	17.49
WG-6907-05	MATERIALS HANDLER (FORK LIFT OPERATOR)	12.37	3.96	16.33
WG-6907-05	MATERIALS HANDLER (PACKER)	12.37	3.96	16.33
WG-6907-05	MATERIALS HANDLER	12.37	3.96	16.33
WG-6907-06	MATERIALS HANDLER	13.25	4.24	17.49
WG-6907-06	MATERIALS HANDLER (FORK LIFT OPERATOR)	13.25	4.24	17.49
WG-6912-06	MATERIALS EXAMINER AND IDENTIFIER	13.25	4.24	17.49
WG-6912-07	MATERIALS EXAMINER AND IDENTIFIER	14.13	4.52	18.65
WG-7002-05	PACKER (FORK LIFT OPERATOR)	12.37	3.96	16.33
WG-7002-06	PACKER	13.25	4.24	17.49
WG-7002-06	PACKER (FORK LIFT OPERATOR)	13.25	4.24	17.49
WL-4604-08	WOOD WORKER LEADER	16.41	5.25	21.66
WL-5704-05	FORK LIFT OPERATOR (MATERIALS HANDLER) LDR	13.61	4.36	17.97
WL-6907-05	MATERIALS HANDLER LEADER	13.61	4.36	17.97
WL-6907-05	MATERIALS HANDLER (FORK LIFT OPERATOR) LDR	13.61	4.36	17.97
WL-7002-06	PACKER LEADER	14.58	4.67	19.25
WL-7002-06	PACKER (FORK LIFT OPERATOR) LEADER	14.58	4.67	19.25
WS-5703-07	MOTOR VEHICLE OPERATOR SUPERVISOR	19.93	6.38	26.31



Decision

- **Based on the bottom line on the Cost Comparison [Standard Competition] Form**
- **Decision favoring a private sector source results in a contract award**
- **Decision favoring a public reimbursable source results in an Inter-service Support Agreement (ISSA) and cancellation of the solicitation**
- **Decision favoring the MEO [Agency Tender] results in *a letter of obligation to the Agency Tender and* cancellation of the solicitation**
- ***Agency Tender released to interested parties***



Appeals

- Appeals must be filed within 30 days [10 or 15 workdays] of the date all supporting [decision] documentation is made available
- ***Optional comment period NTE 10 workdays***
- Appeal authority provides final decision within 30 [or 45 work] days of receipt of appeal
- During public review period, directly affected parties may file appeals with the KO based on specific objections:
 - Compliance with the Circular
 - Calculation of the costs on the CCF [SCF]
 - ***Source selection***



Protests

- **If decision favors contract, unsuccessful offerors [to include the Agency Tender Official] must request a debriefing within three days and the KO must conduct promptly**
- **Protests must be filed within five days of debriefing**
- **If a timely protest is received, KO suspends performance pending resolution**
- **Agency shall make its best effort to resolve agency protests within 35 days**



Questions?